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March 15, 2007

ELECTRONIC FILING

Marlene Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

**RE: In the Matter of Petition of AT&T Inc Petition for Forbearance
WC Docket No. 07-21**

Dear Secretary Dortch:

The New Jersey Public Advocate, Division of Rate Counsel ("Rate Counsel") hereby files comments in the above referenced proceeding.¹ On January 25, 2007, AT&T Inc. (AT&T),

¹/ Effective July 1, 2006, the New Jersey Division of the Ratepayer Advocate is now Rate Counsel. The office of Rate Counsel is a Division within the New Jersey Department of the Public Advocate. The Department of the Public Advocate is a government agency that gives a voice to New Jersey citizens who often lack adequate representation in our political system. The Department of the Public Advocate was originally established in 1974, but was abolished by the New Jersey State Legislature and New Jersey Governor Whitman in 1994. The Division of the Ratepayer Advocate was established in 1994 through enactment of Governor Whitman's Reorganization Plan. See New Jersey Reorganization Plan 001-1994, codified at N.J.S.A. 13:1D-1, et seq. The mission of the Ratepayer Advocate was to make sure that all classes of utility consumers receive safe, adequate and proper utility service at affordable rates that were just and nondiscriminatory. In addition, the Ratepayer Advocate worked to insure that all consumers were knowledgeable about the choices they had in the emerging age of utility competition. The Department of the Public Advocate was reconstituted as a principal executive department of the State on January 17, 2006, pursuant to the Public Advocate Restoration Act of 2005, P.L. 2005, c. 155 (N.J.S.A. §§ 52:27EE-1 et seq.). The Department is authorized by statute to "represent the public interest in such administrative and court proceedings . . . as the Public Advocate deems shall best serve the public interest," N.J.S.A. § 52: 27EE-57, i.e., an "interest or right arising from the Constitution, decisions of court, common law or other laws of the United States or of this State inhering in the citizens of this State or in a broad class of such citizens." N.J.S.A. § 52:27EE-12; The Division of Rate Counsel, formerly known as the Ratepayer Advocate, became a division therein to continue its mission of protecting New Jersey ratepayers in utility matters. The Division of Rate Counsel represents and protects the interests of all utility consumers, including residential, business, commercial, and industrial entities. Rate Counsel participates in Federal and state administrative and judicial proceedings.

on behalf of itself and its affiliates² filed a petition pursuant to section 10 of the Communications Act of 1934, as amended (the Act),³ asking the Commission to forbear from enforcement of certain of the Commission's cost assignment rules.⁴ On February 9, 2007, AT&T, on behalf of BellSouth, withdrew a BellSouth forbearance petition previously filed in WC Docket No. 05-342, which seeks similar relief, and AT&T refiled that BellSouth petition in this docket, WC Docket No. 07-21.⁵ AT&T, in these two petitions, seeks forbearance from the following rules: section 32.23 (Nonregulated activities), section 32.27 (Transactions with affiliates); Part 64 Subpart I (referred to as "cost allocation rules"); Part 36 (referred to as "jurisdictional separations rules"); Part 69, Subparts D and E (referred to as "cost apportionment rules"); and other related rules that are derivative of, or dependent on, the foregoing rules.⁶ The petitions also seek limited forbearance from section 220(a)(2) of the Act to the extent this provision contemplates separate accounting of nonregulated costs.⁷ On February 16, 2007 the Federal Communications Commission issued a Public Notice establishing a pleading cycle with comments due on March 19, 2007 and reply comment due on April 9, 2007.

Rate Counsel submits that the petition should be denied for the reasons previously set forth in Rate Counsel's comment and reply comment filed on January 23, 2006 and February 10, 2006 in WC Docket No. 05-342. Rate Counsel also supports the positions taken by National Association of State Utility Consumer Advocate ("NASUCA") as to why the grant of this petition is not in the public interest.

^{2/} The affiliates include: Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, The Ohio Bell Telephone Company, Pacific Bell Telephone Company, Nevada Bell Telephone Company, The Southern New England Telephone Company, Southwestern Bell Telephone, L.P., Wisconsin Bell, Inc., SBC Advanced Solutions, Inc., Ameritech Advanced Data Services, Inc. of Illinois, Ameritech Advanced Data Services, Inc. of Indiana, Ameritech Advanced Data Services, Inc. of Michigan, Ameritech Advanced Data Services, Inc. of Ohio, and Ameritech Advanced Data Services, Inc. of Wisconsin.

^{3/} 47 U.S.C. § 160.

^{4/} Petition of AT&T Inc. For Forbearance Under 47 U.S.C. § 160 From Enforcement of Certain of the Commission's Cost Assignment Rules, WC Docket No. 07-21, Petition for Forbearance (filed Jan. 25, 2007).

^{5/} Letter from Theodore Marcus, Senior Attorney, AT&T Services, Inc. to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 05-342 (Feb. 9, 2007). AT&T Inc. and BellSouth Corporation merged on December 29, 2006. See AT&T and BellSouth Join to Create a Premier Global Communications Company, News Release, at <http://www.att.com/gen/press-room?pid=4800&cdvn=news&newsarticleid=22860>.

^{6/} See 47 C.F.R. §§ 32.23, 32.27, Parts 36, 64 Subpart 1, and 69 Subparts D and E.

^{7/} 47 U.S.C. § 220(a)(2).

Very truly yours,

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